Short term production credit to farmers

3585. SHRIMATI BRINDA KARAT: Will the Minister of FINANCE be pleased to state:

(a) the number of farmers who have received benefit of short term production credit at 7 per cent interest;

(b) what is the percentage compared to total amount of rural credit; and

(c) whether Government propose to extend the 7 per cent interest benefit for farmers taking longer term production loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) According to data regarding number of accounts[1] as given by public sector banks in their claims submitted for reimbursement, the banks had claimed reimbursement in respect of 1,38,59,450 accounts up to the quarter ended December, 2006. Presently the data regarding number of accounts for Regional Rural Banks and Cooperative Banks are not available.

(b) Information is being collected and will be laid on the Table on the House.

(c) Loans upto a maximum duration of 18 months are categorised as Short Term Productions loans, which are available to farmers at 7% upto a principal amount of Rs. 3 lakh.

Disbursement of funds to States under FRF

†3586. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state:

(a) the number of States which have achieved prescribed norms and have been disbursed with full amount of funds for five years under Fiscal Reforms Facility;

(b) the names of such States; and

(c) the reasons for non-release of incentive funds earned by the executing States and by when it is proposed to be released by the Central Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Eleventh Finance Commission

†Original notice of the question was received in Hindi.

recommended setting up of an Incentive Fund under the Fiscal Reforms Facility (FRF), the release from which was based on the improvement of fiscal performance of the States during 2000-01 to 2004-05. Only 14 States namely, Assam, Bihar, Chhattisgarh, J and K, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Orissa, Rajasthan, Sikkim, Tamil Nadu, Tripura and West Bengal achieved the prescribed norms and based on the Accounts provided by the States, were disbursed full earmarked amount from the Incentive Fund for five years under Fiscal Reforms Facility.

EFC also recommended that the final decision in respect of the undisbursed balance from the Incentive Fund will be taken as per the recommendations of the Twelfth Finance Commission (TFC). TFC reviewed this arrangement and recommended that the Scheme of FRF may not continue over its award period, 2005-10 as the Scheme of Debt Relief recommended by it obviates the need for a separate Fiscal Reform Facility. The Government has decided to accept the recommendation of TFC. .

Budgetary provision for agricultural loans

†3587. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) the total agricultural loan provided during the year 2006-07;

(b) the details of agricultural loan, State-wise; and

(c) the budgetary provision made for the said loan for the year, 2007-08?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The total agricultural loan provided by all agencies, *viz.* Public Sector Banks, Private Sector Banks, Co-operative Banks and Regional Rural Banks during the year 2006-07 (upto 28th February, 2007) is Rs. 1,78,447.24 crore.

(b) The State-wise details of agricultural loan is given in Statement (See below).

(c) The Government has provided Rs. 1667 crore for providing interest subvention of 2% per annum to Public Sector Banks, Regional Rural Banks (RRBs) and Cooperative Banks on their lending for short-term crop loans from, their own resources and refinance at concessional rates to cooperative banks and RRBs on their borrowings from NABARD during the year

†Original notice of the question was received in Hindi.